MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016/2017

BBM3824 – SMALL BUSINESS MANAGEMENT

(Distance Education)

24th February 2017
3.00 p.m. to 5.00 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **TWO (2)** pages excluding the cover page.
2. Answer ALL **FOUR (4)** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answer in the Answer Booklet provided.

Question 1

Ed and Yolanda recently opened a vintage used car lot called Cherry Lane. They sell antique and collectible cars on consignment for the owners at a fee of 30 percent of the selling price. The price is further reduced by 10 percent if a particular car is not sold within the first 30 days. One of the first customers convinced Yolanda that this was the only fair thing to do, and in an effort to provide something for "the cost conscious buyer," she provided what she thought was excellent customer service and implemented the idea. Ed and Yolanda feel Cherry Lane has an ideal location. It is located adjacent to the city's baseball stadium, alongside the freeway in the center of all the other car dealerships. Although Cherry Lane has significant foot traffic, most people never make offers to buy. In an effort to increase sales, Ed and Yolanda are working on a new marketing strategy that they believe should be quite different from the "shotgun" approach they had been using over the last few months.

Explain the strategic planning process that Ed and Yolanda need to consider to be successful.

(25 Marks)

Question 2

Describe how a small business might gain a competitive edge over its rivals by using these **FIVE (5)** marketing techniques.

a) Focus on the customer
b) Devotion to quality
c) Paying attention to convenience
d) Concentration on innovation
e) Dedication to service, and emphasis on speed

(25 Marks)

Question 3

Identify the "big **THREE (3)"** issues of cash management. As a small business consultant, what would you recommend your clients do to control the "big three" more effectively?

(25 Marks)

Continued...

Question 4

Mike Pontya has operated a neighborhood restaurant in Cleveland for over 30 years. Mike is planning to move to Arizona because of his health, and has put the business up for sale. The restaurant, which caters to the local trade, is well known in the Hungarian community of Cleveland as having the best authentic Hungarian food in town, but it is not in a traditional restaurant district. The restaurant has parking for 10 cars. Most customers park on the street. In the past, this was not a problem as there was a great deal of walk-in business from the neighborhood.

Now, however, a new four-lane highway passes by the front door of the restaurant. There is a stoplight on the corner the restaurant is on to improve access to the highway for drivers emerging from the neighborhood. The flight to the suburbs has taken a heavy toll on the neighborhood. However, the restaurant is still doing well financially.

Terry and Judy Kozma are brother and sister who share a love for cooking and a desire to be in the restaurant business. All of their relatives have encouraged them to quit their jobs and buy the restaurant. Terry and Judy were reared two blocks from the restaurant, and both worked part-time for Mike Pontya while in college.

What site analysis criteria are relevant to Terry and Judy's evaluation of the restaurant's location based on **FIVE (5)** advantages and **FIVE (5)** disadvantages of the restaurant's current location?

(25 Marks)

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